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BAYOU MALLET GRAVITY DRAINAGE DISTRICT
OF ACADIA PARISH
EUNICE, LOUISIANA

FINANCIAL REPORT

DECEMBER 31, 2002

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/9/03

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ACCOUNTANT'S COMPILATION REPORT

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To the Board of Commissioners
Bayou Mallet Gravity Drainage District
of Acadia Parish
Acadia Parish Police Jury
Eunice, Louisiana

We have compiled the accompanying general purpose financial statements of Bayou Mallet Gravity Drainage District of Acadia Parish, a component unit of the Acadia Parish Police Jury, as of and for the year ended December 31, 2002, as listed in the table of contents. The statements were compiled in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting information that is the representation of the Board in the form of financial statements. We have not audited or reviewed the accompanying financial statements and, accordingly, we do not express an opinion or any other form of assurance on them.

Broussard, Poche', Lewis & Breau, L.L.P.

Eugene C. Gilder, CPA*
Donald W. Kelley, CPA*
Herbert Lemoine II, CPA*
Frank A. Stagno, CPA*
Scott J. Broussard, CPA*
L. Charles Abshire, CPA*
Kenneth R. Dugas, CPA*
P. John Blanchet III, CPA*
Stephen L. Lambousy, CPA*
Craig C. Babineaux, CPA*
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George J. Trappey III, CPA*
Gregory B. Milton, CPA*
S. Scott Soileau, CPA*
Patrick D. McCarthy, CPA*
Martha B. Wyatt, CPA*
Troy J. Breau, CPA*
Fayette T. Dupre', CPA*
Mary A. Castille, CPA*
Joey L. Breau, CPA*
Terrel P. Dressel, CPA*

Crowley, Louisiana
May 16, 2003

Retired:

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Leon K. Poche', CPA 1984
James H. Breau, CPA 1987
Erma R. Walton, CPA 1988
George A. Lewis, CPA* 1992
Geraldine J. Wimberley, CPA* 1995
Rodney L. Savoy, CPA* 1996
Larry G. Broussard, CPA* 1996
Lawrence A. Cramer, CPA* 1999
Michael P. Crochet, CPA* 1999
Ralph Friend, CPA 2002

BAYOU MALLET DRAINAGE DISTRICT
OF ACADIA PARISH

COMBINED BALANCE SHEET- ALL FUND TYPES AND ACCOUNT GROUPS
GENERAL FUND

Year Ended December 31, 2002
See Accountant's Compilation Report

ASSETS

Cash and cash equivalents	\$ 44,005
Certificates of deposit	103,591
Accounts receivables:	
Ad valorem taxes	60,308
State revenue sharing	9,252
Accrued interest receivables	1,127
	<hr/>
Total assets	\$ 218,283
	<hr/> <hr/>

LIABILITIES AND FUND EQUITY

Liabilities:	
Accounts payable	\$ 2,004
Fund equity:	
Fund balance - unreserved and undesignated	216,279
	<hr/>
Total liabilities and fund equity	\$ 218,283
	<hr/> <hr/>

See Notes to Financial Statements.

BAYOU MALLET DRAINAGE DISTRICT
OF ACADIA PARISH

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES

GENERAL FUND

Year Ended December 31, 2002
See Accountant's Compilation Report

Revenues:

Taxes:

Ad valorem

\$ 60,308

Intergovernmental:

State revenue sharing

9,252

Interest

4,411

Total revenues

\$ 73,971

Expenditures:

Current:

Public works:

Secretary fees

\$ 2,400

Per diem paid to board members

3,000

Insurance

1,840

Office expense

161

Pension deduction

2,005

Maintenance

30,271

Audit

1,800

Uncollected taxes

1,809

Appropriation to Acadia Soil and Water

Conservation District

500

Miscellaneous

37

Total expenditures

\$ 43,823

Excess of revenues over expenditures

\$ 30,148

Fund balance, beginning

186,131

Fund balance, ending

\$ 216,279

See Notes to Financial Statements.

BAYOU MALLET GRAVITY DRAINAGE DISTRICT
OF ACADIA PARISH

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL -
ALL GOVERNMENTAL FUND TYPES
GENERAL FUND

Year Ended December 31, 2002
See Accountant's Compilation Report

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:			
Taxes:			
Ad valorem	\$ 55,300	\$ 60,308	\$ 5,008
Intergovernmental:			
State revenue sharing	9,500	9,252	(248)
Interest	7,000	4,411	(2,589)
Total revenues	<u>\$ 71,800</u>	<u>\$ 73,971</u>	<u>\$ 2,171</u>
Expenditures:			
Current:			
Public works:			
Secretary fees	\$ 2,400	\$ 2,400	\$ -
Per diem paid to board members	3,000	3,000	-
Insurance	1,900	1,840	60
Office expense	500	161	339
Pension deduction	1,500	2,005	(505)
Maintenance	57,000	30,271	26,729
Audit	1,800	1,800	-
Uncollected taxes	500	1,809	(1,309)
Advertising	150	-	150
Appropriation to Acadia Soil and Water Conservation District	500	500	-
Miscellaneous	-	37	(37)
Total expenditures	<u>\$ 69,250</u>	<u>\$ 43,823</u>	<u>\$ 25,427</u>
Excess of revenues over expenditures	\$ 2,550	\$ 30,148	\$ 27,598
Fund balance, beginning	193,505	186,131	(7,374)
Fund balance, ending	<u>\$ 196,055</u>	<u>\$ 216,279</u>	<u>\$ 20,224</u>

See Notes to Financial Statements.

BAYOU MALLET GRAVITY DRAINAGE DISTRICT
OF ACADIA PARISH
ACADIA PARISH POLICE JURY

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation Report

Note 1. Summary of Significant Accounting Policies

Bayou Mallet Gravity Drainage District of Acadia Parish (Drainage District) was created by the Acadia Parish Police Jury, as authorized by Louisiana Revised Statutes 38:1751-1802. The ordinance creating this district was dated August 12, 1969. The Bayou Mallet Gravity Drainage District of Acadia Parish is governed by a five-member board of commissioners appointed by the Police Jury. The District is authorized to construct, maintain, and improve the system of natural drainage within the district, where drainage is accomplished by using the natural force of gravity. This is accomplished by cutting and opening new drains, ditches, and canals.

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. All GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

GASB Codification Section 2100 established criteria for determining the governmental reporting entity and component units that should be included with the reporting entity. Oversight responsibility by the Police Jury is determined on the basis of the following criteria:

1. Appointment of governing board
2. Designation of management
3. Ability to significantly influence operations
4. Accountability for fiscal matters
5. Scope of public service

Because the Police Jury appoints the governing board and controls the scope of public service, the Drainage District was determined to be a component unit of the Acadia Parish Police Jury, the governing body of the parish and the governmental body with oversight responsibility. The accompanying financial statements present information only on the funds maintained by the Drainage District and do not present information on the Police Jury, the general governmental services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation Report

Fund accounting:

The Drainage District is organized and operated on a fund basis whereby a separate self-balancing set of accounts (general fund) is maintained that comprises its assets, liabilities, fund equity, revenues, and expenditures. The general fund is the general operating fund of the Drainage District and accounts for all activities of the Drainage District.

General fixed assets:

The Drainage District does not own any general fixed assets. Drainage work is performed by independent contractors who supply their own tools and equipment to maintain drains, ditches, and canals.

Basis of accounting:

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurements made, regardless of the measurement focus applied. The general fund is accounted for using the flow of current financial resources measurement focus. The accompanying general purpose financial statements have been prepared on the modified accrual basis of accounting using the following practices in recording revenues and expenditures:

Revenues:

Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed for the calendar year, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year.

State revenue sharing and interest income are recorded as earned.

Expenditures:

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation Report

Budget practices:

The Drainage District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Secretary-Treasurer submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Due to the fact that expenditures do not exceed \$250,000, it is not necessary to have a public hearing.
3. The budget is then legally enacted through passage of an ordinance. Budget amounts shown in this report are as originally adopted by the District.
4. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

All budget appropriations lapse at year-end.

Expenditures may not legally exceed budgeted appropriations at the fund level. The Drainage District does not use encumbrance accounting.

Deposits in financial institutions:

Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposits (bank balances) totaling \$147,697 at December 31, 2002, are fully secured by federal deposit insurance.

Note 2. Ad Valorem Taxes

The Drainage District was authorized to and has levied 5.04 mills of ad valorem tax for 2002, for the operation and maintenance of the Drainage District.

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation Report

Note 3. Compensation of Board Members

The following compensation was paid to board members:

Hubert Stagg, Jr.	\$ 650
J. D. Sittig, Jr.	650
Darrell Veillon	400
Richard Ruppert	650
Bobby Dupre	<u>650</u>
Totals	<u>\$ 3,000</u>

The compensation paid to board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature. The commissioners were paid \$50 per meeting.



BROUSSARD, POCHÉ, LEWIS & BREAU, L.L.P.

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ACCOUNTANT'S COMPILATION REPORT ON APPLYING AGREED-UPON PROCEDURES

The Board of Commissioners
Bayou Mallet Gravity Drainage District
of Acadia Parish
Acadia Parish Police Jury
Eunice, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Bayou Mallet Gravity Drainage District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Bayou Mallet Gravity Drainage District's compliance with certain laws and regulations during the year ended December 31, 2002, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$15,000 or public works exceeding \$100,000 and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no expenditures made during the period for materials and supplies exceeding \$15,000 nor were expenditures made for public works exceeding \$100,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

The Board of Commissioners
Bayou Mallet Gravity Drainage District
of Acadia Parish

Management provided us with the required list of board members including the noted information. However, for the year ended December 31, 2002, the District did not have any employees.

3. Obtain from management a listing of all employees paid during the period under examination.

For the year ended December 31, 2002, the District did not have any employees.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

As noted in agreed-upon procedure (3), the District did not have any employees for the year ended December 31, 2002.

Budgeting

5. Obtained a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget. There were no amendments made to the budget during the year.

6. Trace the budget adoption and amendments to the minute book.

We traced the adoption of the original budget to the minutes of a meeting held on November 19, 2001. No amendments were made to the budget during the year.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

We compared the revenues and expenditures of the budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not exceed budgeted amounts by more than 5%.

Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and:

- (a) Trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

The Board of Commissioners
Bayou Mallet Gravity Drainage District
of Acadia Parish

- (b) Determine if payments were properly coded to the correct fund and general ledger account; and

All six of the payments were properly coded to the correct fund and general ledger account.

- (c) Determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Bayou Mallet Gravity Drainage District is only required to post a notice of each meeting and the accompanying agenda on the door of the District's office building; management has asserted that such documents were properly posted.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We scanned copies of bank deposit slips for the period under examination and did not note any deposits, which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees, which may constitute bonuses, advances, or gifts.

The District did not have any employees during the year ended December 31, 2002.

Prior Comments and Recommendations

12. Review any prior year suggestions, recommendations, and/or comments and indicate the extent to which such matters have been resolved.

Our prior year report dated May 22, 2002, included comments and unresolved matters addressed in the summary schedule of prior year findings.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The Board of Commissioners
Bayou Mallet Gravity Drainage District
of Acadia Parish

This report is intended solely for the use of management of Bayou Mallet Gravity Drainage District and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

BROUSSARD, POCHÉ, LEWIS & BREUX, L.L.P.

Crowley, Louisiana
May 16, 2003

**BAYOU MALLET GRAVITY DRAINAGE DISTRICT
OF ACADIA PARISH**

**SCHEDULE OF PRIOR YEAR FINDINGS
Year Ended December 31, 2002**

Section I. Internal Control and Compliance Material to the Financial Statements

2001-1 Budget Adoption

Recommendation: The District should adopt a budget prior to the beginning of the year as required by the Local Government Budget Act (LSA-RS 39:1301-1316).

Status: The District adopted the budget for 2002 on November 19, 2001.

2001-2 Budget Amendments

Recommendation: The District should approve budget amendments when they become aware that actual expenditures will exceed budgeted expenditures by more than 5% as required by the Local Government Budget Act (LSA-RS 39:1301-1316).

Status: The District monitored the budget closely and actual revenues and expenditures for the year ended December 31, 2002 did not exceed budgeted amounts by more than 5%.

Section II. Internal Control and Compliance Material to Federal Awards

There were no federal awards for the year ended December 31, 2001.

Section III. Management Letter

There were no prior year findings reported in a separate management letter for the year ended December 31, 2001.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

4-13-03 (Date Transmitted)

Broussard, Poche', Lewis & Breaux, L.L.P
P.O. Drawer 307
Crowley, LA 70527-0307

In connection with your compilation of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of December 31, 2002. (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes [☒] No [☐]

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [☒] No [☐]

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [☒] No [☐]

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [☒] No [☐]

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [☒] No [☐]

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [☒] No [☐]

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [☒] No [☐]

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [☒] No [☐]

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [☒] No [☐]

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [☒] No [☐]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Subon Arnaud Secretary 4-13-03 Date
Robert J. J. J. Treasurer 4-14-03 Date
____ President _____ Date